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LB 505

tax. I guess I would have to say the basic reason for this is that, certainly at a time when we are plagued by surpluses and I think some unwise programs, it makes a lot of sense to me to redouble our efforts on the commodity programs in our attempts to try to find new uses for those commodities and in that way increase the farm income and dramatically, we hope, increase the income of all Nebraska citizens. I move for the adoption of the amendment.

SENATOR BEUTLER: Senator Nichol.

SPEAKER NICHOL: Mr. Chairman and members of the Legislature, Senator Schmit, what you are saying is that if you grow a bushel of wheat and sell it to me, you pay the checkoff and then when I sell it I pay the checkoff too, right?

SENATOR BEUTLER: Senator Schmit, do you wish to respond?

SENATOR SCHMIT: No, you only pay, in this instance you pay for the checkoff on the commodity when it moves its final sale. But what I am saying in this instance with this amendment, Senator, is that on the farm, for example, I have a thousand bushels of corn and it is in the government reserve, and under the Payment in Kind program it would be returned to me as a payment for leaving land lay idle. When I sell that grain, then even though I had already once paid the tenth of a cent on it, I would again be required to pay the tenth of a cent on it.

SPEAKER NICHOL: That is what your amendment says?

SENATOR SCHMIT: Yes.

SPEAKER NICHOL: I agree to that and I think that is the way it should be, so I just wanted to make that clear. Thank you, Senator Schmit.

SENATOR BEUTLER: Senator Kahle.

SENATOR KAHLE: Mr. President, just a word too to support Senator Schmit. I think it would be devastating to the checkoff programs and the programs that they are working with if this did not happen because you would lose one year's production in a way. So I think this is the only fair way to do it. We are in a kind of a crazy situation with the PIK program and I think we will live through it and I think we will see better times because of it really by next year, but it will keep our program solvent and I support it. Thank you.